

BLENHEIM

Celebrating the £100m milestone
of our economic contribution



Our Economic Impact
2018 - 2019



BLENHEIM

I am delighted to report to you that our GVA total economic impact did indeed surge in year three by 15% to £100.5 million, with jobs supported rising by 12% to 2,159.

This is our third report to you concerning our contribution to the local economy and to community causes. The first measured the ‘start position’, while the next two measure the progress we have made as we focus on delivering on two of our ten-year goals:

1 | To triple our contribution to the local economy (day one economic contribution was £90.8m)

2 | To double our charitable contribution to the community (day one charitable contribution was £1.1m)

It always feels important to stress that these goals (together with the eight others listed inside the back cover) are not part of a trendy CSR programme. Landed Estates are unique entities, blending elements of commercial enterprise, public sector and charity. Our essential and long term relationship with the world around us and, in particular our closest communities, is entirely grounded in a series of implied social and economic contracts. Our future success is entirely tied up with the future success of the local area and we cannot succeed if you don't succeed.

So, driving local economic success and supporting community projects and groups is of great benefit; it enables our success. That is why our goals and our purpose, **‘to be the lifeblood of the local economy, to enhance the lives of local people and to share and protect this extraordinary place’** start with outward looking ambitions. We believe that if we deliver on our promises to you, we will flourish.

You may recall that last year we reported two major challenges in our business which had in fact caused our economic contribution to fall slightly – this was a reduction in the size of BBC Countryfile Live and a reduction (temporary) in our build programme as we focused on building new offices. These two factors more than offset growth and we reported a 4% decline in our GVA total economic impact.

I optimistically predicted that we would return to decisive growth this year and I am delighted to report to you that our GVA total economic impact did indeed surge in year three by 15% to £100.5 million, with jobs supported rising by 12% to 2,159. This is an outstanding achievement, given that we only embarked on this journey two years ago. Interestingly, the growth rates neatly bracket the target rate of growth, which we will need to achieve over the next eight years in order to deliver on our goal to treble our contribution. On average we will need to grow both economic contribution and jobs supported by 13.5% per annum.

Some of that additional growth is already clearly in the pipeline; numbers of visitors are rising this year, not by a great amount but by more than that of our competitors, while the purchase of Pye Homes (too late to be included in this year's report) retains its economic activity in the area. This helps us to move more quickly on goals such as delivering 300 truly affordable homes for local people, building a £45 million investment endowment to protect the World Heritage Site and giving 100 local people life-changing apprenticeships.

The emergence of Christmas at Blenheim Palace is a very important element of our economic growth; three years ago we were closed over the festive season! The light trail is a very popular Blenheim Palace activity for local people, and many of the visitors who come to witness it also enjoy the attractions of Woodstock. For all the businesses in the ecosystem around our visitor attraction that depend to some extent on our ability to draw visitors to the area, this has been transformational. This year for the first time we have disclosed the impact of Christmas at Blenheim Palace separately. It is now our most economically valuable event, delivering £11.2m to the local economy and supporting 214 jobs.

It also presents us with a challenge - we are working hard to spend increasing proportions of our money within a 20-mile radius (now 44%) but much of the investment into Christmas is spent well outside that radius, primarily because we are looking to bring in the very best light display. It would be almost impossible to procure locally so, for now, we focus on putting on the finest display we can and drawing people to the area who will spend their money here.



BLENHEIM

**We strive to
strengthen our local
partnerships to secure
a sustainable future.**

In total, the impact of visitors' spending outside of Blenheim rose to over £47m, up 14% in the year and over 22% from the start position. This is revenue received by other businesses that would not occur without us, and it, in turn, supports many jobs. Some unfairly argue that we do little to support the business community around us but we work very hard to share the cake. We feel that these numbers, both growth and absolute, give a fairer account of what we do.

Blenheim and its partners have been building homes in greater volumes this year, with Blenheim spending just over £9m on its own account and delivering just under £7m to the local economy while supporting just under 100 jobs. As most of you will be aware, this will continue.

Something much less easy to measure, but an aspect that gives us the most joy, is our support of new businesses. We held our first ever Blenheim start-up competition around a year ago and it has been a joy to work with both Neve's Bees and Kathryn Croxson and to see their businesses flourish. Our second competition has been won by Wild and Fine, innovative jewellers of whom we are certain you will see more.

We don't directly measure the long-term impact of our investment into apprenticeships but note that this investment offers extraordinarily high returns at £21 for each £1 invested. And, this does not even start to capture the joy of sharing Blenheim with our wonderful apprentices, who do not just acquire invaluable skills but also give so much more back to us. While they are a relatively recent re-introduction, none of us can imagine a future without them.

Something else which we do not measure but feel sure has a substantial contribution is the impact of our truly affordable housing, now being delivered at pace. All developments above a certain size have to provide affordable homes, almost always provided by selling those to Housing Associations. Typically, these are then let to residents at a 20% discount to the market which we do not believe is actually affordable. We have kept our promise to deliver our affordable rental homes at a 40% discount to the market, indeed we are now focusing on ways to deepen that discount yet further. It is crucial that Woodstock and its neighbouring settlements can provide great homes to everyone. We are doing more than anyone to make that possible. Our communities are richer for their diversity and inclusivity – I doubt any of us really wants to live in an extended retirement village...

I'm delighted to report that our charitable contributions have not just hit their target of £2.2million, but indeed hit £3.5million in the year. This was in part due to a one off donation for the Starlight Foundation following Lord Blandford's charity row across the Atlantic, but even without this we hit our intended target and plan to consider a more challenging goal in future.

Notwithstanding my optimism, achieving the level of growth required in our economic contribution (13.5% pa for 8 years) will be very tough. I do, however, have faith that we have great people running great businesses and all focus obsessively on these shared targets. They should be very proud of the progress achieved to date and the continuous momentum each business generates.

Every day they can see the positive impact of their work on prosperity, on housing prospects, on sustainability, on training opportunities and on the shared success of many people and businesses around them.

I commend this report to you.


Dominic Hare CEO



BLENHEIM

Our future success is entirely tied up with the future success of the local area.

Blenheim’s economic impact was captured by Oxford Brookes Business School.

The study accounts for the following Blenheim business activities:

- Visitor Business
- Conferences & Hospitality
- Construction
- Property Developments
- Mineral Water
- Farming & Game
- Renewable Energy

Operational partners include:

- In-house caterers: Searcys
- Event organisers, primarily:
 - BBC Countryfile Live
 - SsangYong Blenheim Palace Horse Trials
 - Nocturne Live

Methodology changes:

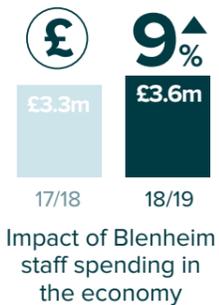
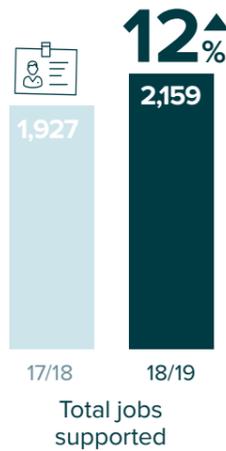
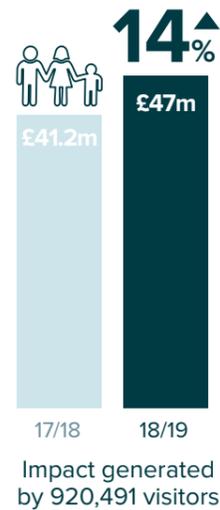
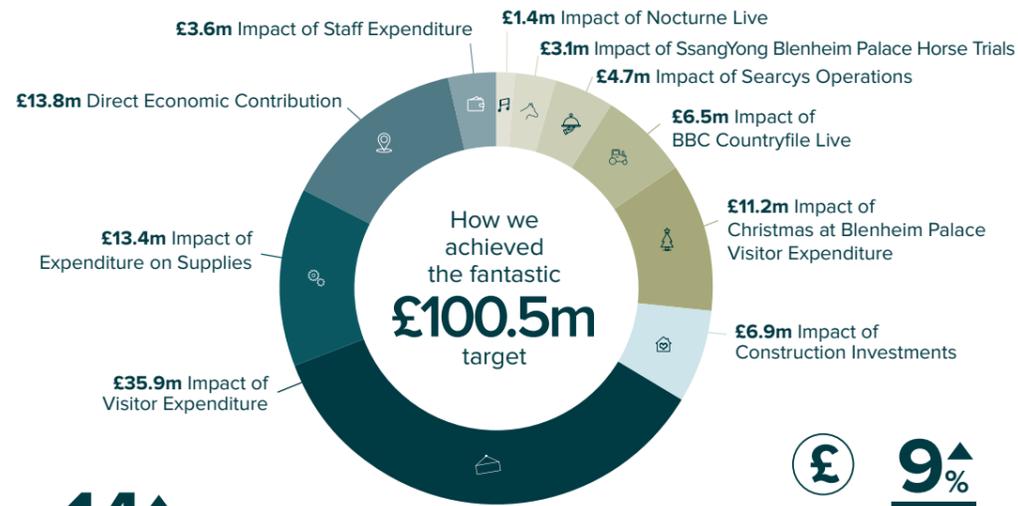
The activities of Blenheim are categorised under two main divisions: Vanbrugh Group (VUT) and Estate Group. Love Water; a Blenheim owned brand is considered a separate entity and has been included in this year’s analysis. Pye Homes is a recent addition only acquired on the 22 December 2018. A full year of data is required in order for results to be significant, hence its exclusion this year.

Terms of reference used throughout the report are defined below:

- **Gross domestic product (GDP)** is the principal means of determining the health of the UK economy.
- **Total economic impact** comprises the direct, indirect and induced impact that Blenheim has on the UK economy, in terms of the contribution to GDP and jobs created/supported.
- **Direct economic impact** captures the economic stimulus provided by Blenheim itself, as well as the businesses supplying Blenheim with goods and services.
- **Indirect economic impact** refers to the economic stimulus provided by Blenheim and the businesses supplying goods and services when they procure goods from their supply chain.
- **Induced economic impact** refers to consumer spending by those directly employed by Blenheim and the direct supply chain.
- **Gross Value Added (GVA)** is the contribution made by Blenheim to Gross Domestic Product (GDP).
- **Jobs supported** refers to those directly employed by Blenheim, as well as the jobs created in the wider economy as a result of our economic impact.
- **Local** means within a 20 mile radius of Blenheim.

Headline Facts and Figures

£100.5m in GVA total economic impact in 2018/19, compared to **£87.6 million** in 2017/18. **15%** ↑



Areas of business that experienced change and subsequently contributed to a positive increase in impact on the economy were:



The total impact of these third party partners also showed a positive increase of **11%** from £14.2 million to **£15.7 million**.



We aim to be the lifeblood of the local economy, to enhance the lives of local people and to share and protect this extraordinary place.

We continue to drive local economic growth.

Thriving on its diversity, our business continues to positively impact the local economy.

£13.8m

Direct economic contribution of Blenheim



5%

£0.5m

Direct economic contribution attributable to Love Water



£5.1m

Generated by the VUT:

- Construction and Property Developments
- Hospitality
- Energy source generating projects - solar panels, biomass boilers and a hydroelectric scheme



£8.2m

Generated by the Estate Group:

- Visitors
- Large events
- Restoration grant support
- Estate activities that include farming

£13.1

17/18

18/19

Both our Construction and Property Developments and our visitor business steadily increased last year making a positive impact on overall growth.



335

17/18

391

18/19

391

17%

People directly employed.



We have great people running great businesses and all focus obsessively on these shared targets.



Our spend on acquiring goods and services from suppliers.

The GVA contribution of this spend to the UK economy is estimated to be approximately

£13.1m

13.1 million comes from VUT and Estate Group that we break down further by location.

£11.7m

17/18

14% ↑ £4.7m

The GVA contribution by purchases within the local area is estimated at **£4.7 million**, with **95 jobs** being supported locally. Blenheim provides a substantial boost to the local economy through its day-to-day operations.

£8.4m

The GVA contribution of procurement from vendors who are further afield is estimated to be **£8.4 million** with an additional **188 jobs** being supported.

Last year, **VUT spent £3.7 million**, **Estate Group spent £13.4 million** and **Love Water spent £471,797** on acquiring various goods and services.



Procurement by Location



44% of supplies across the groups are sourced within 20 miles of Blenheim Palace (-5%). The remaining goods and services are procured from suppliers further afield. Procurement goes beyond the Oxfordshire region only when it is necessary to source specific skills, equipment and materials not available more locally.

The expenditure by Blenheim on goods and services acts as a catalyst in its supply chain and creates additional GVA contributions and employment.



287 | 9% ↑

Total jobs supported by Blenheim's direct spending with suppliers.

The expenditure by Blenheim on purchasing goods and services acts as a catalyst in its supply chain and creates additional GVA contributions and employment.





We create jobs locally and nationally.

2159  total jobs are supported, which is a **12%** growth rate to the previous year.

391  people directly employed by Blenheim.

58% of whom are female.


206  jobs are being supported through our in-house caterers; Searcys.

21  nationalities represented.

Staff contribution to the economy

£3.6m **9%** in GVA contribution from staff spending in the economy.

647% additional jobs supported within the economy from staff spending.

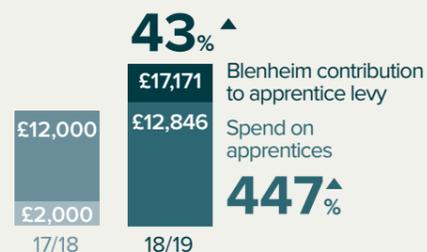
By providing diverse and unique job opportunities, Blenheim makes a positive impact on the abundance of stable employment in the local area.

We invest in people.

According to the Centre for Economics and Business Research (CEBR, 2014), the national economy is estimated to gain almost £21 for every £1 invested in apprenticeships.

10 **67%**  apprentices

(5 females and 5 males) were employed in 2018-19 in diverse roles and departments such as Game, Gardens, IT, Marketing and Operations.



Using the multiplier provided by CEBR (2014), this spend on apprentice training is worth approximately £269,740 in the long run to the UK economy.



We can't even start to capture the joy of sharing Blenheim with our wonderful apprentices, who do not just acquire invaluable skills but also give so much more back to us.

Our visitors spend money in the local area.

Blenheim is proud to welcome visitors from every corner of the globe. Almost every guest that enters the gates of Blenheim spends in other local businesses during their stay, generating increased economic activity in the immediate area. Cafés, retail outlets and accommodation providers all reap the profitable benefits of visitors to Blenheim, as do transport providers in the wider area. We can confidently say that our visitor business helps us both to grow and thrive.

£47m **14%**

GVA contribution from visitor spending*.

£41m **14%**

is the estimated total of annual visitor spending.

899 **14%**

external jobs are supported.

£11.2m

GVA contribution from Christmas at Blenheim Palace**, which is fast becoming one of the most popular events, attracting 219,000 visitors, and supporting 214 jobs.

*Our third party event partners are not included in the £47m **£11.2m is included within the £47m GVA figure



1%

910,000

17/18

920,000

18/19

Number of visitors

5%

17.2%

12.2%

17/18

18/19

Multi-day visitors

Our visitor survey found that multi-day visitors who stay overnight spend an average of

£60



Our visitor survey found that day visitors to Blenheim Palace spend an average of

£41



We build strong and inclusive communities so residents can procure the benefits of the local area.

We continue to build affordable homes and have invested in various residential and commercial projects over the last financial year.

£6.9m

total GVA contribution.

Blenheim and its partners invested approximately £9.17 million (+75%) in building new houses in Hordley Farm, Foxhole Barn, Bladon Heath Cottage and Manor Farm Cassington.

Investment in affordable residential housing was approximately £3.05 million (+368%). Last year, Blenheim introduced affordable housing at 40% discount to market rates.

73%

£6.9m

£4m

17/18

18/19

Direct investments by Blenheim and its partners



79%

97

additional jobs supported in the UK economy.



It is crucial that Woodstock and its neighbouring settlements can provide great homes to everyone. We are doing more than anyone to make that possible.



Our catering and third party event partners add to the overall economic impact.

Total economic impact of our catering and event partners was...

£15.7m

11%



£14.2m

17/18

18/19

£1.4m Total economic impact of Nocturne Live

£3.1m Total economic impact of SsangYong Blenheim Palace Horse Trials

£6.5m Total economic impact of BBC Countryfile Live

£4.7m Total economic impact of Searcys

Our Caterers: Searcys

206

total jobs are being supported.

138

staff are directly employed by Searcys.

-3%

total economic impact of Searcys.

Our Large Events

Our annual event programme is full of exciting events that we host with various partners but, for the purpose of the impact study, we only include events that generate 25,000 visitors or more.

Christmas at Blenheim Palace

219,000 visitors last year **214** jobs supported **first year analysed**

BBC Countryfile Live

108,000 visitors over a four-day period **129** jobs supported **0%** change in economic impact

SsangYong Blenheim Palace Horse Trials

56,000 visitors over a five-day period **60** jobs supported **7%** change in economic impact

Nocturne Live

30,000 visitors last year **27** jobs supported **first year included**



Charitable Contributions

We are proud to announce that our charitable contribution far exceeded our goal and our expectations.

Blenheim donated **£115,645 (+26%)** to charities such as Archway, Starlight, Bridewell and Macmillan.

A further **£1.26 million (+33%)** was raised from charitable events such as the Bloodwise Blenheim Palace Triathlon, Pink Ribbon Walk, NSPCC, Dreams Come True for Anthony, Haven House Children's Hospice and the British Red Cross.

Blenheim also supports local entrepreneurs, by giving them the opportunity to showcase their products to a national and international retail audience. In August 2018 two start-up winners; Neve's Bees and Kathryn Croxson started selling their items in the Blenheim Palace shop. In addition to the benefits of increased visibility, the revenue made by each winner was in excess of £3,000 for the last trading year.

The imputed value of the rooms/facilities that Blenheim provided together with the money raised at events such as the Starlight Foundation Gala

Dinner, the Oxfordshire Youth Christmas Event, the Katharine House Hospice charity event and the Cotswold Art & Antique Dealers' Association Fair (CADA) is estimated to be worth **£1,621,429 (+566%)**.

The imputed value of educational visits and guided tours provided by Blenheim to schools and other educational institutions is estimated at **£279,000**, while complimentary passes worth **£228,374 (+844%)** were donated over the same period.

The donations by Blenheim and its employees support charities with very diverse missions and extended outreach. Blenheim supports the local community, investing both time and resources to help Kidlington Fire Service, Woodstock Primary School, Oxfordshire Historic Churches Trust, Thames Valley Police, HRH Prisons Recovery Programmes and the surrounding villages too.



Our charitable contributions have not just hit their target of £2.2m, but reached £3.5m in the year.



Summary of Overall Impact

GVA Contribution	2018-19	2017-18	Change	2016-17	Change
Direct Economic Contribution	£13.84	£13.13	5%	£12.07	15%
Impact of Expenditure on Supplies	£13.38	£11.73	14%	£12.99	3%
Impact of Staff Expenditure	£3.60	£3.29	9%	£2.90	24%
Impact of Visitor Spending*	£47.04	£41.24	14%	£38.67	22%
Total Impact of Operations	£77.87	£69.39	12%	£66.64	17%
Investment of Construction and Property Developments	£6.88	£3.97	73%	£9.52	-28%
Total Impact of Blenheim incl. Construction	£84.75	£73.36	16%	£76.16	11%
Impact of Searcys	£4.69	£4.82	-3%	£4.57	2%
Impact of BBC Countryfile Live	£6.48	£6.46	0%	£7.85	-18%
Impact of SsangYong Blenheim Palace Horse Trials	£3.13	£2.94	7%	£2.20	42%
Impact of Nocturne Live	£1.42	-	-	-	-
Total Impact of Partners	£15.71	£14.22	11%	£14.63	7%
Collated Total Impact	£100.46	£87.57	15%	£90.78	11%

* includes Christmas at Blenheim Palace (£11.2m)

Employment Supported	2018-19	2017-18	Change	2016-17	Change
Direct Economic Contribution	391	335	17%	307	27%
Impact of Expenditure on Supplies	287	264	9%	297	-3%
Impact of Staff Expenditure	64	59	7%	52	22%
Impact of Visitor Spending*	899	788	14%	739	22%
Total Impact of Operations	1,640	1,446	13%	1,395	18%
Investment of Construction and Property Developments	97	55	79%	133	-27%
Total Impact of Blenheim incl. Construction	1,738	1,501	16%	1,528	14%
Impact of Searcys	206	237	-13%	220	-6%
Impact of BBC Countryfile Live	129	131	-2%	145	-11%
Impact of SsangYong Blenheim Palace Horse Trials	60	58	4%	42	42%
Impact of Nocturne Live	27	-	-	-	-
Total Impact of Partners	422	426	-1%	407	4%
Collated Total Impact	2,159	1,927	12%	1,935	12%

* Includes Christmas at Blenheim Palace (£214,000)



How we plan to achieve our 'Triple The Economic Impact' goal by 2027

We are thrilled with the progress we have made this year – this leaves us needing to deliver growth of about 13.5% pa for the eight remaining years. Some of this is already 'in the bag' including:

- Our purchase of Pye Homes, retaining over 30 jobs and significant economic activity in the area and with whom we will build many new homes.
- The launch of Shakespeare's Rose Theatre across Summer 2019.
- The launch with Experience Oxfordshire and Oxford Bus Company of the Oxford Pass.

However, we already know that we will not take the risk of running Shakespeare's Rose Theatre in 2020 (Brexit risks have driven great volatility in the events market nationally and we have decided to limit our risk profile in the next 12 months).

To continue to drive growth, we will...

Focus on driving up multi-day visits:

- Improve transport links in the area and work with the local council and government on delivering the infrastructure.
- Support and drive investment in accommodation.
- Work with other large attractions and tourism partners to help bring people into the area.

Encourage business growth:

- Continue to invest in local suppliers, including a commitment to migrating construction spend into the local economy.
- Encouraging new members of the community to spend time and money in their towns/villages
- Support and create an environment for start-up businesses.
- Help encourage large corporations to operate and do business within the local economy.

Build Property Developments:

- Deliver thriving communities to the local area, bringing additional jobs as well as provide the opportunity to engage local suppliers to deliver the projects. It will also bring people into the area.

Support these key projects with appropriate employment growth:

- Providing local jobs for local people as well as increase the number of training apprentices we will support each year.



We will work hard to positively support our local communities in the hope that you will feel proud of Blenheim and cherish where you live.

Our 10 Year Goals

Our 10 year goals reflect our core purpose, which is to be the lifeblood of the local economy, to enhance the lives of the people of Oxfordshire, to share this magnificent Palace, and to conserve and protect it for future generations.



Train over
100 new
apprentices in roles
across the Estate.



Triple
our economic
contribution to
the local area.



Build high quality,
affordable homes
for **300** families.



Become a net generator of
green energy



Complete
£40 million
of vital restoration work.



Secure endowment of
£45 million
to conserve our
World Heritage Site.



Reacquire or borrow
key works
from the Palace's
lost collections.



Become one of the
UK's top 100
employers.



Double
our charitable
contributions
to the community.



Achieve annual paying
visitor numbers in excess
of **750,000**

BLENHEIM



**Driving local economic success
and supporting community
projects and groups is of great
benefit; it enables our success.**

BLENHEIM